REMARKS

This Amendment responds to the Office Action dated April 9, 2010 in which the Examiner rejected claims 1-22, 28-30 and 32-37 under 35 U.S.C. § 103.

As indicated above, claims 1, 10, 19, 21, 22, 28-30 and 37 have been amended in order to make explicit what is implicit in the claims. The amendment is unrelated to a statutory requirement for patentability.

Claims 1-16, 18-22, 28-30 and 32-37 were rejected under 35 U.S.C. § 103 as being unpatentable over *Bar-El* (WO 99/26415) in view of *Srinivasan, et al.* (U.S. Publication No. 2001/0023436) and *Zigmond, et al.* (U.S. Patent No. 6,698,020).

Bar-El appears to disclose in Figure 1 a personalization system 10 operates on a video server 11 and communicates with a multiplicity of user computers or clients 12 via a network (page 7, lines 11-15). As shown in Figure 2, the personalization system 10 comprises a user identifier 20, a user database 21, an object storage unit 22, a video controller 24, a video analyzer 25 and a plurality of video personalization modules 26, one per user currently receiving a video stream (page 9, line 22-page 10, line 2). Object storage unit 22 and video controller 24 both provide their output to the personalization module 26 associated with the user. The object storage unit 22 outputs the personalized data, such as a set of advertisements, associated with the user's group and the names associated with each image to be implanted and video controller 24 provides the selected video and the associated video parameters describing how to transform the personalized data in order to implant the personalized data into the video stream (page 12, lines 3-9). Personalization module 26 uses each transformation T to transform, per frame, the flat images 39 of the personalized data into perspective images 41 whose perspective matches that of the surface on which the images are to be implanted. The personalization module 26 then

implants the perspective images 41 into the background of the current frame, thereby producing a personalized frame which is transmitted to the user's computer 12 (page 13, line 23-page14, line 4). Figure 4 details one video personalization module 26. It comprises a personalized data storage unit 38, an image adaptor 40, a video personalization scheduler 42 and a mixer 44 (page 14, lines 8-10). During operation, the scheduler 42 receives a timing signal by which it measures the passage of time, starting from the moment the personalization module 26 first receives the video stream. When so indicated by the schedule, the scheduler 42 provides an image selection signal to the storage unit 38 which furnishes the selected image to the image adapter 40. At the same time, the scheduler 42 provides a location signal to the image adapter 40 to indicate onto which section of the surface, if there are more than one, to implant the selected image (page 14, line 22-page 15, line 5).

Thus, *Bar-El* merely discloses personalization system 10 including an object storage unit 22 which outputs personalized data to video personalization module 26. Nothing in *Bar-El* shows, teaches or suggests an advertisement image providing apparatus transmitting a selected advertising image by stream distribution via a network to an image content providing apparatus as claimed in claims 1, 10, 18, 19-22, 28-30 and 36-37. Applicants respectfully point out that the object storage 22 (analogous to advertisement providing apparatus) and video personalization module 26 (analogous to the image providing apparatus) are both found within the personalization system 10 of *Bar-El* and thus, nothing in *Bar-El* shows, teaches or suggests that the output from object storage unit 22 to the video personalization module 26 is by stream distribution via the network. Rather, as shown in Figures 1 and 2 of *Bar-El*, the set of advertisements output from the object storage unit 22 is internal to the personalization module 10

and thus the object storage unit 22 does not output the selected advertisement image by stream distribution via the network to the video personalization module 26.

Furthermore, *Bar-El* only discloses that the object storage unit 22 transmits the set of ads to the personalization module 26. Thus, nothing in *Bar-El* shows, teaches or suggests (a) for download distribution and package distribution, an image content reproducing apparatus detects the position of inserting the ad and requests distribution of the ad to the advertisement image providing apparatus and (b) for stream distribution, an image content providing apparatus requests the advertisement image providing apparatus to distribute the advertisement image as claimed in claims 1, 10, 18-22, 28-30 and 36-37. In short, nothing in *Bar-El* shows, teaches or suggests that the personalization module 26 requests that the object storage unit 22 select and transmit a selected advertisement image.

Also, *Bar-El* does not show, teach or suggest transmitting image content via package distribution including detecting a position of inserting the advertising image at the image reproducing apparatus, having the reproducing apparatus request the advertising image and transmitting the selected advertising image by stream distribution via the network from the advertisement providing apparatus to the reproducing apparatus as claimed in claims 1, 10, 19, 22, 30 and 37. Rather, nothing in *Bar-El* shows, teaches or suggests package distribution.

Additionally, nothing in *Bar-El* shows, teaches or suggests restarting stream distribution of the image content from an image content providing apparatus to the image content reproducing apparatus when the distribution of the advertisement image finishes as claimed in claims 1, 18, 20, 28 and 36. Rather, *Bar-El* teaches away from start and stopping since the personalization module 26 implants the perspective images into the background of a current frame (page 13, line 23-page 14, line 19-21). Thus, *Bar-El* implants the ad into the background

(see Figures 3a, 5a, 5b as well as reference numbers 34, 35, 36 in Figures 1, 2, 6 and 7, page 8, lines 7-10). In other words, in *Bar-El*, the ad is inserted into the background of the video so that the video itself would not be restarted since it never stops (*i.e.* the ad appears within the video).

Bar-El discloses in an alternative in Figure 7, a video server 11 that has the personalization preparation system 60 that only transmits one video sequence and its video parameters at a time to the network. Each user computer has a video personalization module 62. Periodically, the personalization data is updated. The personalization module 62 can reside in the user's computer 12 or, if the network is that of a cable or satellite television, in a local "set-top" box which provides output to a user television (page 17, line 14-page 18, line 5).

Thus, *Bar-El* only discloses moving the location of the personalization module from the video server 11 to the user computer. Thus, nothing in *Bar-El* shows, teaches or suggests an advertisement image providing apparatus transmitting a selected advertisement image by stream distribution via the network to either an image content providing apparatus or an image reproducing apparatus as claimed in claims 1, 10, 18-22, 28-30 and 36-37. Rather, *Bar-El* only discloses internally transmitting the advertising image from the object storage unit 22 to the personalization module 26.

Srinivasan, et al. appears to disclose a video-on demand system where a user orders a particular stored video presentation to be sent at a particular time, ads may be selected and inserted at any convenient time prior to sending to the user [0202]. When a subscriber orders a video presentation, the ad server notes the client ID matches the ID with the user profile, consults a dynamic ad schedule and determines the ads to be inserted. The ad server controls and pulls both the video presentation and the ads to be inserted from data storage, controls the data streams at the ad server to start and stop each video stream at the appropriate time to place the ads, and so

forth [0204]. In an alternative embodiment, the ad server does not insert ads into the video stream but instead stores URLs internet addresses (for ads). The ad engine retrieves the needed URLs for the ads to be inserted, and inserts them in the video stream as metadata [0205]. The playback unit at the client station 205 makes use of the inserted metadata to pull the relevant ads or ads from the appropriate destinations in the internet [0206].

Thus, *Srinivasan, et al.* only discloses a video on demand system. Nothing in *Srinivasan, et al.* shows, teaches or suggests package distribution as claimed in claims 1, 10, 19, 22, 30 and 37. Rather, *Srinivasan, et al.* only discloses a video on demand system.

Applicant respectfully points out the Examiner appears to be misreading *Srinivasan, et al.* The Examiner points to paragraphs 205-206 of *Srinivasan, et al.* as disclosing that the reproducing apparatus request the advertising image apparatus distribute the advertising image to the reproducing apparatus. However, paragraphs 205-206 of *Srinivasan, et al.* do not disclose that the play back unit requests the ad server provide the ads. Rather, paragraphs 205-206 of *Srinivasan, et al.* only disclose that the ad server inserts URLs as metadata and the play back unit uses the metadata to pull the ad.

Furthermore, paragraphs 205-206 of *Srinivasan, et al.* do not disclose a reproducing apparatus sending an advertisement insert condition to the ad providing apparatus as stated by the Examiner. Rather, *Srinivasan, et al.* only discloses in paragraphs 205-206 that the ad server stores URLs as metadata and the play back unit uses the inserted metadata to pull relevant ads.

Also, the Examiner stated that paragraphs 205-206 of *Srinivasan, et al.* disclose transmitting an advertising image to the image content producing apparatus. However, the paragraphs 205-206 of *Srinivasan, et al.* only disclose transmitting the video and ads to the playback unit not to the content producing apparatus (*i.e.* reference numbers 199, 201 shown in

Figure 16 of *Srinivasan, et al.* are the content providing apparatus, the ad server only provides the ads).

Finally, as discussed above, paragraphs 202-204 of *Srinivasan, et al.* only disclose that the ad server controls the insertion of the ads into the video stream and thus, *Srinivasan, et al.* does not show, teach or suggest the content providing apparatus (199, 201) restarting the video stream.

Zigmond, et al. appears to disclose a conventional video programming feed displayed to a viewer. Either before or during the display of the video programming feed to the viewer, a plurality of advertisements from an advertisement source are received by a home entertainment system in the household. The received advertisements are either stored in an advertisement repository for later display or are made available to the home entertainment display at an appropriate time for immediate display (column 4, lines 15-24). Statistics collection location 61 counts the number of times a particular viewer has seen a selected advertisement. Once the advertisement has been displayed the desired number of times during a given time period, further display of the advertisement to the viewer is blocked (column 13, lines 40-45).

Thus, *Zigmond, et al.* merely discloses that once an ad has been displayed a desired number of times, the advertisement is blocked to the viewer. Thus, nothing in *Zigmond, et al.* shows, teaches or suggests the primary features as discussed above with regard to claims 1, 10, 18-22, 28-30 and 36-37. Rather, *Zigmond, et al.* only discloses blocking an advertisement after being displayed a desired number of times.

A combination of *Bar-El*, *Srinivasan, et al.* and *Zigmond, et al.* would not be possible since *Bar-El* inserts an ad into the background of an image while *Srinivasan, et al.* starts and stops a video in order to insert an ad. Even assuming arguendo that the references could be

combined, the combination would merely suggest to personalize the ad with an (internal) object storage unit and personalization module 26 in a video server as taught by *Bar-El,* to having an ad server which starts and stops the video stream to place ads as taught by *Srinivasan, et al.* and to only display ads a desired number of times as taught by *Zigmond, et al.* Thus, nothing in the combination of the references shows, teaches or suggests (a) package distribution, (b) an advertisement image providing apparatus transmitting a selected ad by stream distribution via a network to either an image content reproducing apparatus or an image content providing apparatus and (c) for stream distribution, having the content providing apparatus restart stream distribution when the distribution of the ad finishes as claimed in claims 1, 10, 18-22, 28-30 and 36-37. Therefore, Applicant respectfully requests the Examiner withdraws the rejection to claims 1, 10, 18-22, 28-30 and 36-37 under 35 U.S.C. § 103.

Claims 2-9, 11-16 and 32-35 recite additional features. Applicant respectfully submits that claims 2-9, 11-16 and 32-35 would not have been obvious within the meaning of 35 U.S.C. § 103 over *Bar-El*, *Srinivasan, et al.* and *Zigmond, et al.* at least for the reasons as set forth above. Therefore, Applicant respectfully requests the Examiner withdraws the rejection to claims 2-9, 11-16 and 32-35 under 35 U.S.C. § 103.

Claim 17 was rejected under 35 U.S.C. § 103 as being unpatentable over *Bar-El*, *Srinivasan, et al.* and *Zigmond, et al.* and further in view of *Hite, et al.* (U.S. Patent No. 5,774,170).

Applicant respectfully traverses the Examiner's rejection of the claim under 35 U.S.C. § 103. The claim has been reviewed in light of the Office Action, and for reasons which will be set forth below, Applicant respectfully requests the Examiner withdraws the rejection to the claim and allows the claim to issue.

As discussed above, since nothing in *Bar-El*, *Srinivasan, et al.* and *Zigmond, et al.* show, teach or suggest the primary features as claimed in claim 10, Applicant respectfully submits that the combination of the primary references with the secondary reference to *Hite, et al.* would not overcome the deficiencies of the primary references. Therefore, Applicant respectfully requests the Examiner withdraws the rejection to claim 17 under 35 U.S.C. § 103.

Thus, it now appears that the application is in condition for a reconsideration and allowance. Reconsideration and allowance at an early date are respectfully requested. Should the Examiner find that the application is not now in condition for allowance, Applicant respectfully requests the Examiner enters this Amendment for purposes of appeal.

CONCLUSION

If for any reason the Examiner feels that the application is not now in condition for allowance, the Examiner is requested to contact, by telephone, the Applicant's undersigned attorney at the indicated telephone number to arrange for an interview to expedite the disposition of this case.

In the event that this paper is not timely filed within the currently set shortened statutory period, Applicant respectfully petitions for an appropriate extension of time. The fees for such extension of time may be charged to Deposit Account No. 50-0320.

In the event that any additional fees are due with this paper, please charge our Deposit Account No. 50-0320.

Respectfully submitted,

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